

Fiscal Estimate - 2009 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number 09-4125/1		Introduction Number AB-0749	
Description An income and franchise tax credit for equipment used to harvest or process woody biomass.			
Fiscal Effect			
State:			
<div style="display: flex; flex-wrap: wrap;"><div style="width: 50%;"><input type="checkbox"/> No State Fiscal Effect</div><div style="width: 50%;"><input type="checkbox"/> Indeterminate</div></div>			
<div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> Increase Existing Appropriations</div><div style="width: 33%;"><input type="checkbox"/> Increase Existing Revenues</div><div style="width: 33%;"><input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget</div></div>			
<div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> Decrease Existing Appropriations</div><div style="width: 33%;"><input type="checkbox"/> Decrease Existing Revenues</div><div style="width: 33%;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</div></div>			
<div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> Create New Appropriations</div><div style="width: 33%;"></div><div style="width: 33%;"><input type="checkbox"/> Decrease Costs</div></div>			
Local:			
<div style="display: flex; flex-wrap: wrap;"><div style="width: 50%;"><input type="checkbox"/> No Local Government Costs</div><div style="width: 50%;"><input type="checkbox"/> Indeterminate</div></div>			
<div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><div>1. <input type="checkbox"/> Increase Costs</div><div><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div></div><div style="width: 33%;"><div>3. <input type="checkbox"/> Increase Revenue</div><div><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div></div><div style="width: 33%;"><div>5. Types of Local Government Units Affected</div><div><input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities</div><div><input type="checkbox"/> Counties <input type="checkbox"/> Others</div><div><input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts</div></div></div>			
<div style="display: flex; flex-wrap: wrap;"><div style="width: 50%;"><div>2. <input type="checkbox"/> Decrease Costs</div><div><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div></div><div style="width: 50%;"><div>4. <input type="checkbox"/> Decrease Revenue</div><div><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div></div></div>			
Fund Sources Affected Affected Ch. 20 Appropriations			
<div style="display: flex; flex-wrap: wrap;"><div style="width: 25%;"><input type="checkbox"/> GPR</div><div style="width: 25%;"><input type="checkbox"/> FED</div><div style="width: 25%;"><input type="checkbox"/> PRO</div><div style="width: 25%;"><input type="checkbox"/> PRS</div><div style="width: 25%;"><input type="checkbox"/> SEG</div><div style="width: 25%;"><input type="checkbox"/> SEGS 20.143 (1) (a)</div></div>			
Agency/Prepared By		Authorized Signature	
COMM/ Julie Keal (608) 266-6748		Louie Cornelius (608) 266-8629	
		Date	
		3/11/2010	

Fiscal Estimate Narratives
COMM 3/11/2010

LRB Number	09-4125/1	Introduction Number	AB-0749	Estimate Type	Original
Description An income and franchise tax credit for equipment used to harvest or process woody biomass.					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates the Woody Biomass Harvesting and Processing Tax Credit program. It does not limit the number of businesses that the department may designate, but it does limit the amount of tax credits that the department may allocate to businesses to \$900,000 in any fiscal year. The department's responsibilities are as follows:

1. Certify taxpayers to claim tax benefits and allocate to each business the amount of tax credits it may claim. The department shall notify the Department of Revenue of all persons that it certifies and of the amount of tax credits it allocates to each person.
2. Verify claims for tax credits. To do this, the department must certify as eligible expenditures of each certified business. Eligible expenditures include expenditures for equipment that is used exclusively to harvest or process woody biomass that is used as fuel or as a component of fuel.

The department will require one position to administer and write rules for this program. The costs of this position will be as follows.

Salary \$44,900
Fringe \$20,500
Supplies \$ 8,000

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

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LRB Number 09-4125/1		Introduction Number AB-0749	
Description An income and franchise tax credit for equipment used to harvest or process woody biomass.			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$65,400	\$	
(FTE Position Changes)	(1.0 FTE)		
State Operations - Other Costs	8,000		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$73,400	\$	
B. State Costs by Source of Funds			
GPR	73,400		
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$	\$	
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$73,400	\$	
NET CHANGE IN REVENUE	\$	\$	
Agency/Prepared By		Authorized Signature	Date
COMM/ Julie Keal (608) 266-6748		Louie Cornelius (608) 266-8629	3/11/2010

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Description An income and franchise tax credit for equipment used to harvest or process woody biomass.		
Fiscal Effect State: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Create New Appropriations </div> <div style="width: 33%;"> <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues </div> <div style="width: 33%;"> <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs </div> </div> Local: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 33%;"> 5. Types of Local Government Units Affected <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> Towns <input type="checkbox"/> Counties <input type="checkbox"/> School Districts </div> <div style="width: 33%;"> <input type="checkbox"/> Village <input type="checkbox"/> Others <input type="checkbox"/> WTCS Districts </div> <div style="width: 33%;"> <input type="checkbox"/> Cities </div> </div> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div> Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS </div> <div> Affected Ch. 20 Appropriations </div> </div>		
Agency/Prepared By DOR/ Michael Oakleaf (608) 261-5173	Authorized Signature Paul Ziegler (608) 266-5773	Date 2/24/2010

Fiscal Estimate Narratives

DOR 2/24/2010

LRB Number	09-4125/1	Introduction Number	AB-0749	Estimate Type	Original
Description					
An income and franchise tax credit for equipment used to harvest or process woody biomass.					

Assumptions Used in Arriving at Fiscal Estimate

For taxable years that begin after December 31, 2008 and before January 1, 2015, the bill creates a refundable income and franchise tax credit in an amount equal to 10% of the amount that a taxpayer pays in a taxable year for equipment used exclusively to harvest or process woody biomass that is used as fuel or as a component of fuel. The credit is allocated by the Department of Commerce. The maximum amount that Commerce may allocate in each fiscal year is \$900,000, and the aggregate maximum credit that may be claimed by a claimant in all years is \$100,000.

According to the U.S. Census Bureau's Annual Survey of Manufacturers, pulp and paperboard (non-paper making) mills in Wisconsin spent \$322 million on capital expenditures in 2006 (the most recent year available). It is unknown how much of this amount can be attributed to the manufacture of woody biomass for fuel. However, if it is assumed that at least 3% of the \$322 million would be eligible under the bill, then the annual fiscal effect would be \$900,000, the maximum allowed under the bill.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$	\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations	900,000		
TOTAL State Costs by Category	\$900,000	\$	
B. State Costs by Source of Funds			
GPR	900,000		
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$	\$	
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$900,000	\$	
NET CHANGE IN REVENUE	\$	\$	
Agency/Prepared By		Authorized Signature	Date
DOR/ Michael Oakleaf (608) 261-5173		Paul Ziegler (608) 266-5773	2/24/2010